



Europart Danmark A/S

Kokmose 14
6000 Kolding
CVR No. 46629310

Annual report 2022

The Annual General Meeting adopted the
annual report on 03.03.2023

Erik Nørgaard Graversen
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2022	9
Balance sheet at 31.12.2022	10
Statement of changes in equity for 2022	12
Cash flow statement for 2022	13
Notes	14
Accounting policies	17

Entity details

Entity

Europart Danmark A/S

Kokmose 14

6000 Kolding

Business Registration No.: 46629310

Registered office: Kolding

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Erik Nørgaard Graversen

Olaf Theo Giesen

Henning Andersen

Anders Alslev

Kenneth Hansen

Executive Board

Henning Andersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Europart Danmark A/S for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kolding, 03.03.2023

Executive Board

Henning Andersen

Board of Directors

Erik Nørgaard Graversen

Olaf Theo Giesen

Henning Andersen

Anders Alslev

Kenneth Hansen

Independent auditor's report

To the shareholder of Europart Danmark A/S

Opinion

We have audited the financial statements of Europart Danmark A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 03.03.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Henrik Vedel

State Authorised Public Accountant

Identification No (MNE) mne10052

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
Key figures					
Gross profit/loss	55,172	51,797	44,398	46,934	47,444
Operating profit/loss	14,250	12,957	6,846	8,624	9,725
Net financials	117	45	162	(4)	-488
Profit/loss for the year	11,165	10,117	5,454	6,691	7,167
Total assets	84,940	81,500	76,991	79,546	94,395
Investments in property, plant and equipment	630	163	0	280	956
Equity	60,392	57,227	52,512	53,558	50,867
Ratios					
Return on invested capital incl goodwill (%)	16.45	15.8	10.3	10.8	10.5
Return on equity (%)	18.70	18.4	10.3	12.8	14.4
Equity ratio (%)	70.90	70.2	68.2	67.3	53.9

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on invested capital incl goodwill (%):

$\frac{\text{EBITDA} * 100}{\text{Average invested capital incl goodwill}}$

Average invested capital incl goodwill

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The Company trades in spare parts, tools and vehicle parts for trucks, busses, trailers and industry use as well as structure components for coach and body works.

Development in activities and finances

The company has been affected by the growth experienced by large customers, and the advantage of as well equipped central warehouse in Germany. The growth in sales has happened despite the general global problems in the supply chains and without a significant growth in the total heavy duty vehicle population.

The company's customer defection rate was at a low level.

Profit/loss for the year in relation to expected developments

Profit of the year was 14.367 t DKK before tax and may be characterised as very satisfactory.

Outlook

For the coming year, Management expects to increase sales with at least 5% compared to 2022. The result can be affected negatively by growing energy and transport costs.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		55,171,881	51,795,787
Staff costs	1	(40,537,009)	(38,450,388)
Depreciation, amortisation and impairment losses	2	(384,525)	(388,710)
Operating profit/loss		14,250,347	12,956,689
Other financial income	3	242,110	130,464
Other financial expenses		(125,434)	(85,651)
Profit/loss before tax		14,367,023	13,001,502
Tax on profit/loss for the year	4	(3,201,692)	(2,884,935)
Profit/loss for the year	5	11,165,331	10,116,567

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		1,253,614	1,015,684
Leasehold improvements		201,190	192,651
Property, plant and equipment	6	1,454,804	1,208,335
Fixed assets		1,454,804	1,208,335
Manufactured goods and goods for resale		44,279,968	41,025,409
Inventories		44,279,968	41,025,409
Trade receivables		32,418,520	31,625,895
Receivables from group enterprises		3,127,699	2,763,965
Other receivables		777,270	772,074
Prepayments	7	746,094	665,213
Receivables		37,069,583	35,827,147
Cash		2,136,015	3,439,016
Current assets		83,485,566	80,291,572
Assets		84,940,370	81,499,907

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		8,075,000	8,075,000
Retained earnings		52,316,578	49,151,247
Equity		60,391,578	57,226,247
Deferred tax	8	48,335	47,756
Provisions		48,335	47,756
Other payables		3,321,947	3,296,677
Non-current liabilities other than provisions	9	3,321,947	3,296,677
Trade payables		9,614,881	10,185,236
Payables to group enterprises		5,626,134	3,552,844
Tax payable		199,412	1,380,698
Other payables		5,738,083	5,810,449
Current liabilities other than provisions		21,178,510	20,929,227
Liabilities other than provisions		24,500,457	24,225,904
Equity and liabilities		84,940,370	81,499,907
Contingent liabilities	11		
Related parties with controlling interest	12		
Non-arm's length related party transactions	13		

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	8,075,000	49,151,247	57,226,247
Extraordinary dividend paid	0	(8,000,000)	(8,000,000)
Profit/loss for the year	0	11,165,331	11,165,331
Equity end of year	8,075,000	52,316,578	60,391,578

Cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		14,250,347	12,956,689
Amortisation, depreciation and impairment losses		384,525	388,710
Working capital changes	10	(2,828,376)	(9,178,945)
Cash flow from ordinary operating activities		11,806,496	4,166,454
Financial income received		242,110	130,464
Financial expenses paid		(125,434)	(85,651)
Taxes refunded/(paid)		(4,384,398)	(1,708,245)
Cash flows from operating activities		7,538,774	2,503,022
Acquisition etc of property, plant and equipment		(624,995)	(163,213)
Cash flows from investing activities		(624,995)	(163,213)
Free cash flows generated from operations and investments before financing		6,913,779	2,339,809
Dividend paid		(8,000,000)	(5,400,000)
Cash flows from financing activities		(8,000,000)	(5,400,000)
Increase/decrease in cash and cash equivalents		(1,086,221)	(3,060,191)
Cash and cash equivalents beginning of year		3,439,016	6,499,207
Cash and cash equivalents end of year		2,352,795	3,439,016
Cash and cash equivalents at year-end are composed of:			
Cash		2,136,015	3,439,016
Cash and cash equivalents end of year		2,136,015	3,439,016

Notes

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	36,357,705	35,021,394
Pension costs	2,780,927	2,588,476
Other social security costs	274,818	271,410
Other staff costs	1,123,559	569,108
	40,537,009	38,450,388

Average number of full-time employees	75	72
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Remuneration to the board of directors and executive board is not disclosed according to ÅRL § 98, stk. 3.

2 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Depreciation of property, plant and equipment	384,525	388,710
	384,525	388,710

3 Other financial income

	2022	2021
	DKK	DKK
Financial income from group enterprises	22,536	9,922
Other financial income	219,574	120,542
	242,110	130,464

4 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	3,201,113	2,903,400
Change in deferred tax	579	(18,465)
	3,201,692	2,884,935

5 Proposed distribution of profit and loss

	2022	2021
	DKK	DKK
Extraordinary dividend distributed in the financial year	8,000,000	5,400,000
Retained earnings	3,165,331	4,716,567
	11,165,331	10,116,567

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	7,680,895	1,110,264
Additions	581,270	48,725
Disposals	(1,610,393)	(737,893)
Cost end of year	6,651,772	421,096
Depreciation and impairment losses beginning of year	(6,665,211)	(916,986)
Depreciation for the year	(343,340)	(40,813)
Depreciation and impairment losses on assets disposed of	1,610,393	737,893
Depreciation and impairment losses end of year	(5,398,158)	(219,906)
Carrying amount end of year	1,253,614	201,190

7 Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

8 Deferred tax

	2022 DKK	2021 DKK
Changes during the year		
Beginning of year	47,756	66,221
Recognised in the income statement	579	(18,465)
End of year	48,335	47,756

9 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Other payables	3,321,947	3,321,947
	3,321,947	3,321,947

10 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in inventories	(3,254,559)	(112,561)
Increase/decrease in receivables	(1,242,436)	(7,680,132)
Increase/decrease in trade payables etc	1,668,619	(1,386,252)
	(2,828,376)	(9,178,945)

11 Contingent liabilities

The Company has a non-cancellable lease obligation related to rent up until 31 of august 2029 of DKK 23,452 thousand.

Further the Company has leasing agreements, where the longest remaining term of the lease is 48 months. The company's total obligation represents DKK 2,405 thousand.

Furthermore, Sydbank has a mortgage on the company's simple receivables arising from the sale of goods and services. At 31. december 2022, the company has no debt to Sydbank.

12 Related parties with controlling interest

Europart Danmark A/S' related parties comprise the following:

Europart International GmbH, Martinstrasse 13, D-58135, Hagen

Europart International GmbH holds the majority of the contributed capital in the Company.

Europart Danmark A/S is included in the consolidated financial statements of Europart International GmbH, Hagen Germany and the consolidated financial statements of Efeu Group GmbH, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

13 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Income from sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Furthermore, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

The date of the transfer of the main benefits and risks is based on standardized terms of delivery based on Incoterms ® 2010.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external costs include the year's costs relating to the entity's core activities, including costs relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding refunds from public authorities.

Depreciation, amortisation and impairment losses

The item comprises depreciation of and impairment losses on property, plant and equipment.

Other financial income

Financial income are recognised in the income statement at the amounts that concern the financial year and comprise include interest income as well as allowances and surcharges under the advance payment of tax scheme, etc.

Other financial expenses

Other financial and expenses are recognised in the income statement at the amounts that concern the financial year and comprise include expenses as well as allowances and surcharges under the advance payment of tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and costs directly related to the acquisition until the time at which the asset is ready for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straightline basis over the estimated useful life.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

	Useful life
Other fixtures and fittings, tools and equipment	9-11 years
Leasehold improvements	3-8 years

Estimated useful lives and residual values are reassessed annually.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the taxbase is calculated based on the planned use of each asset or the planned settlement of each liability. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets

Operating leases

Lease payments on operating leases are recognised on a straightline basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for noncash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.